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October 30, 2006

Honorable James H. Welsh
Commissioner of Conservation
Department of Natural Resources
Office of Conservation
P. O. Box 94275
Baton Rouge, Louisiana 70804-9275

RE: MT-BM Zone, Reservoir A
NORTHWEST BAYOU CHOCTAW FIELD
Iberville Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of Hilliard Petroleum, Inc., to the Commissioner of Conservation for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the MT-BM Zone, Reservoir A, in the Northwest Bayou Choctaw Field, Iberville Parish, Louisiana.

1. To establish rules and regulations governing the exploration for and production of oil and gas from the MT-BM Zone, Reservoir A, in the Northwest Bayou Choctaw Field, Iberville Parish, Louisiana.
2. To create a single drilling and production unit for this zone and to force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created.
3. To designate a unit operator and a unit well for the unit so created as may be appropriate.
4. To provide that the MT-BM Zone, Reservoir A, should be exempt from the spacing provisions of Statewide Order No. 29-E.
5. To provide that the Commissioner may reclassify the Reservoir by supplemental order and without the necessity of a public hearing should such reclassification be warranted, based on evidence furnished the Commissioner.
6. To discuss any other matters that may be pertinent to this application.

The MT-BM Zone, Reservoir A, in the Northwest Bayou Choctaw Field, Iberville Parish, Louisiana, is hereby defined as being that oil and gas bearing zone encountered between the depths of 11,292' to 11,592' in the LVO Corporation - E.B. Schwing No. 2 Well, located in Section 42, Township 8 South, Range 11 East, Iberville Parish, Louisiana.

In addition to furnishing the legal notice to all Interested Parties, the applicant will provide for POSTING of the legal notice of the hearing and unit plat in a prominent place in the area of the Northwest Bayou Choctaw Field, Iberville Parish, Louisiana, and will cause the legal notice of the hearing to be PUBLISHED in a newspaper of general circulation published in the vicinity of the Northwest Bayou Choctaw Field, Iberville Parish, Louisiana, at least fifteen (15) days before the hearing date.

Any pertinent data relating to the subject application can be obtained, **AT THE COST OF THE REQUESTING PARTY**, from Cambe Geological Services, Inc., 6300 Westpark, Suite 400, Houston, Texas 77057 (713-659-8363).

In compliance with the Rules of Procedure, a preapplication notice was given, but no request for a conference was received, and therefore, none was held. Please note that we changed Finding No. 4 to "be exempt" from the spacing provisions of Statewide Order No. 29-E instead of "in accordance with the spacing provisions of Statewide Order No. 29-E as noted in our Notice dated October 2, 2006. Also the applicant's original proposal of ± 90 Acres has been enlarged and revised to comprise ± 91 Acres as reflected on the enclosed plat. If anyone desires to confer regarding this matter, please contact the undersigned at 337-233-9839.

There are attached hereto and made a part hereof a revised plat outlining the proposed unit and a list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom this application is being sent. Pursuant to the Revised Rules of Procedure, such list of parties are being furnished **ONLY** to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, said list of parties will be provided to any party requesting copies. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, there is enclosed our check on behalf of the applicant, Hilliard Petroleum Inc., in the sum of \$755.00 payable to the Office of Conservation and representing the required hearing application fee.

Sincerely,

LEON E. COMEAUX & ASSOCIATES



Bill McAlister

BM/cu

Enclosures

cc: Mr. Richard Hudson
Office of Conservation
825 Kaliste Saloom Rd.
Brandywine III, Suite 220
Lafayette, Louisiana 70508

Interested Parties, Interested
Owners and Represented Parties

